

Greetings Industry,

On March 23, 2016 our team posted a “Welcome Message” to kick-off this GSA Interact Site for the acquisitions known as Virtual, Strategic, and Battlefield for the Software Engineering Directorate (SED) as our GSA customer. We would encourage all stakeholders to re-read that initial post. Our goals are captured in the closing below:

“As I close this welcome message, I want to share our goals for these acquisitions. They are simple...a transparent and regulatory compliant acquisition(s), that promotes competition and acquisition innovation, and delivers best value to SED so they can successfully execute their critical mission. Our industry partners are essential to achieving that success. Thank you for joining us!”

Around this general time, an article entitled, “#Valuate: Monetizing Service Acquisition Tradeoffs Using Quality-Infused Price © Methodology” in the Defense Acquisition Research Journal (APR 2016); p.23(2), pages 202-230 by Daniel J. Finenstadt and Timothy Hawkins. As the research and case studies were studied by GSA, it was overly apparent that we all as service acquisition professionals face the same challenges throughout the federal service acquisition enterprise for all the same common reasons. That the origins and objective of QIP© are the same as our GSA/SED goals stated above.

It was at this time, that the acquisition strategy for these SED acquisitions was developing. Acquisition strategies generally work best when all the pieces work together and in harmony for the ultimate objective (i.e. a task order award) within the construct of the right goals. However, an acquisition professional never should build a final acquisition strategy top down...you have to build bottom up and prove you have all the right pieces for all the right reasons and then make a decision from a position of knowledge on the final acquisition strategy. It's a core principle for how we make decisions.

As you will read in the article, in order to apply QIP© methodology there are certain core elements that have to be present. Without them, it's merely an academic discussion. From our prior Interact Posts to Industry Days to the creation of the Virtual Reading Room, I'd like to remind you of some of our current acquisition decisions to date:

1. Industry Engagement with GSA and SED
2. Access to Acquisition and Requirement Data
3. Organization Conflict of Interest Pre-Review Process
4. Position on Exclusivity (including position on mandatory sourcing)
5. Contract Type Selection
6. Best Value Tradeoff Approach Acquisition Strategy
7. Evaluation Factors Selected (Technical, Past Performance)
8. Relative Importance Between the Evaluation Factors and their Combined Importance in Relation to Price
9. Capability Plan (Pass/Fail – Leverage OASIS)

10. Interview Style Oral Technical Demonstrations (i.e. Focused on Key Discriminators)
11. Product Demonstrations (i.e. Focused on Key Discriminators) (VIRTUAL ONLY)
12. Evaluating ONLY the validated Past Performance Questionnaires (PPQs) for Past Performance (i.e. Descriptive Data and Survey Results)
13. Development on the Right PPQ (i.e. Focused on a Variety of Discriminators from the Routine to Key)
14. Past Performance Narrative NOT Evaluated
15. Presentation on "Price Premiums" in the Cost Construct Briefing at Industry Day

As the above acquisition decisions (and others less directly related) were being made and working towards our goals, the final element of the strategy was still unresolved...how exactly would the award decision be made by the contracting officers specifically within that acquisition strategy? How to "value" offeror differences (strengths and weaknesses within technical and past performance evaluation factors) relative to price?

To be clear, there are many ways to accomplish that task. Most are on mutually bloodied ground for the service acquisition enterprise and the GSA/SED acquisition team. As a general practice, smart acquisitions don't run into familiar pitfalls expecting a different result. I told someone recently, great contracting officers are as only as good as their last acquisition...professional growth is job requirement.

Therefore over the summer as the above acquisition decisions were made, GSA began to dig deep into QIP© methodology and principles and built a GSA/SED acquisition specific QIP model using our existing acquisition decisions for the SED acquisitions. GSA also developed a narrative for the solicitation. It was necessary for us to build it, test it, and discuss it internally before any decision over its use was possible.

As the effort began to complete, it was clear that QIP principles were right for these SED acquisitions and serve all our interest as partners in the service acquisition enterprise. QIP© optimizes the primary public procurement objectives of transparency, value for money, and meeting agency requirements. I believe you will see how our stated SED acquisition goals and those objectives are in alignment. Monetizing the trade space occurs on every tradeoff service acquisition in the subjective minds of contracting officers. Our QIP© based approach for these SED acquisition brings our industry partners into that process in an open and transparent way to drive the type of industry results we are looking for!

Additionally for your review is an article (also written by Daniel J. Finenstadt and Timothy Hawkins) in NCMA's Contract Magazine September 2016 Issue entitled, "Bridging the Best Value Gap: Achieving Better Buying Power Through the Quality Infused Price Methodology." Also, for your general knowledge, QIP© will be presented this December at the Government Contract Management Symposium by the authors.

The following two (2) points are important:

- 1.) Daniel J. Finenstadt and Timothy Hawkins are NOT members of the covered acquisition team and have no access to procurement sensitive information. The authors did not developed nor have even seen our attached GSA/SED QIP© based model. However, GSA has been in contact with the authors to secure additional information and we appreciate their responsiveness and assistance to date on those requests.
- 2.) Our GSA/SED QIP approach is modified and tailored for our SED acquisitions. The QIP terminology, calculations, process, and application we state in our final solicitation and QIP model, take absolute precedent for our SED acquisitions.

However, the core principles and process of “monetizing the trade space” are those of the authors and the QIP© copyright holders which the GSA/SED acquisition team has permission to utilize and tailor.

So let me anticipate a common question:

**Q:** With all the industry engagement why are we are hearing of this now?

**A:** Managing the rate of acquisition change within the industry participating on these SED acquisitions requires balance to be effective. We had many important topics to cover together and we have. The reason to state this draft position now for comment is because it's the last piece of the acquisition strategy and last pieces go last...not first.

The GSA/SED acquisition team believes in the partnerships we've formed with our Nationwide OASIS Pool 3 Partners and the Huntsville defense base. We believe as you study the attached QIP© based GSA/SED model and narrative, you will see the beauty and elegance in the approach for everyone.

Sincerely,

Jason C. Heddy  
SED Branch Chief